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SIPDIS

PM/DTTC FOR BLUE LANTERN COORDINATOR

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [TH](#)  
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK ON  
LICENSES 050059704, 050089662, AND 050095708

REF: STATE 44819

¶1. (U) Thai Ministry of Commerce lists the subject company as Kamolrat Commercial, not Kamolart as reftel.

Registration No. 0605543000353  
Registered Date: September 14, 2000  
Status: limited company  
Capital Registration: 10,000,000 baht  
Executives: Anuchit Kanphakdi, Chatri Sukthawi, Lt. Gen. Saman Thammachari, and Wha Phansi.  
Authorized executive members for legal commitments: Anuchit or Chatri.  
Company Location: 99 Moo 3, Tambon Nong Pling, Amphoe Muang Nakhon Sawan, Nakhon Sawan Province.  
The company has submitted annual financial reports for 2000-2006.  
Purpose of Company: To sell weapons and military equipment.

¶2. (U) The reftel telephone number did not work and the area code would be located in Bangkok, not Nakhon Sawan. Kamolrat Commercial was listed in the phone directory as 056-300-144 and 056-300-135 under the address provided reftel.

¶3. (U) POL FSN May 21 visited the Nakhon Sawan District Office and the Nakhon Sawan Provincial Commerce Office, some 240 kilometers north of Bangkok. Both offices confirmed the existence and registration of Kamolrat Commercial. From their records, there was no derogatory or negative information on the company. The District Office record's of gun permit indicate that the reftel lots of weapons will not be shipped to Nakhon Sawan for inspection.

¶4. (U) POL FSN visited Kamolrat May 21 in Nakhon Sawan. The company's location was confirmed as stated reftel. Kamolrat was located in a large munitions factory called Royal Ammunitions or Olympic Arms & Ammunitions. Post conducted a Blue Lantern investigation on the facility in May 2005. The compound was well-guarded with CCTV and other safety precautions. The Kamolrat Maintenance Chief stated that the company was not yet in full operation in Nakhon Sawan since the company's administrators had not yet completely moved to the site, rather some work from home in Bangkok. The facility was located in an empty three-story new structure with an empty factory located adjacent for a future project to manufacture foreign-designed pistols in Thailand. A Thai military officer had been assigned by Ministry of Defense to supervise the operations of this company.

¶5. (U) Chatri Sukthawi, a Kamolrat executive, answered questions regarding the company. He and his group of companies have been under the Blue Lantern examination in the past. Chatri said his company has been in the weapon business since 2000 and was certified by the Ministry of Defense in 2003 or 2004 to expand its business to manufacture and repair in Thailand foreign-designed pistols. The company

had approached Glock and Steyer from Austria; Beretta from Italy; Armslucks from the Philippines; and Colt, Smith & Wesson and HTI from the U.S. for a possible joint venture. The building structure was complete and the company was in the process of installing machines. Chatri said Kamolrat was an authorized representative in Thailand for Colt.

16. (U) Chatri said Kamolrat understands restrictions on United States Munitions List items. Chatri himself understood these restrictions well as he owned Supnakorn Partnership, Akekapatt Fire Arms Part., and Kamolrat International Co., Ltd. Chatri confirmed the reftel purchase of three lots of weapons, as contracted by the Bureau of Territorial Defense Volunteer, Department of Provincial Administration, Ministry of Interior. The weapons would be shipped directly from the U.S. to Bangkok and then to the Bureau's warehouse without transiting the company's facility in Nakhon Sawan. Chatri said the first lot (DTC 050059704 - 550 pieces) had arrived at Suvarnabhumi Airport in Bangkok and was pending import clearance. The second and the third lots (DTC 050089662 - 550 pieces and DTC 050095708 - 650 pieces) were being manufactured in the U.S. Chatri did not present any related documents and said the documents were in Bangkok. He promised to send to the Embassy but none had arrived as of June 2.

17. (U) POL FSN May 22 visited the Bureau of Territorial Defense Volunteers and met Somchai Kiat-kongkaew, Chief of Welfare Section, who is responsible for the purchase. Somchai and his Bureau were under the Blue Lantern examination a few times in the past. Also present was Surasak Phonyangsong, Chief of General Affairs Section of the Bureau.

Question: How many purchase orders did the GOT submit to US applicant, Colt Defense, LLC?

Response: The Bureau had planned to purchase 1,800 Colt M4s for use by its personnel. The purchase was divided into three separate lots via Kamolrat Commercial Co., Ltd, numbering 1,750 pieces, as detailed reftel. More purchases are expected in the future. The Bureau may have ordered other types of guns from the Colt in the past via other companies.

Question: Can the GOT confirm its orders for the firearms listed on these license applications?

Response: Yes, but only verbally. The Bureau was unable to provide related documents because they were at other offices in Ministry of Interior. The Bureau did present Purchase Contract No. 104/255 1, dated February 15, 2008, signed between the Bureau and the Kamolrat Commercial, for the first lot. However, the number ordered as appeared in this contract was 500, not 550 as stated reftel. The Bureau said Kamolrat Commercial would provide the extra 50 pieces to the Bureau for free. This was a verbal commitment, not in contract form. The lot was scheduled to be delivered to the Bureau on August 3, 2008.

Question: Why is the GOT party to three licenses to acquire these rifles instead of one large license?

Response: The Bureau and Chatri of Kamolrat Commercial said the reason for this was the Bureau's budget plan and approval process for the purchases. The purchases had been approved in three lots, two in 2007 and one in 2008. Chatri added that his company desired to limit purchases to approximately ten million baht (approximately \$312,000) including taxes and transportation costs. Kamolrat therefore preferred to purchase smaller lots. Smaller lots also reduced the risk of losses to delays in production, delivery problems, and losses.

Question: Did Colt Defense LLC recommend several small orders as opposed to a large order?

Response: Chatri and the Bureau denied this. The smaller

orders were an agreement between the Bureau and the Kamolrat Commercial.

Question: Why is the GOT purchasing this large quantity of M4 carbines? Are they undergoing a modernization program, increasing numbers for personnel, etc?

Response: The Bureau said it was modernizing weapons and had increased the number of personnel. The Bureau had been authorized 1,800 more personnel in addition to 17,743 members nationwide. 3,699 are posted to the troubled southern region (Yala, Pattani, Narathiwat Provinces and four districts of Songkhla Province) of Thailand. The additional personnel would be assigned to Southern Thailand. The new weapons would be used for security operations in the South as well as border areas nationwide. The weapons would remain government property.

Question: What weapons will these M4 carbines replace?

Response: They would replace M16 and M16 A2 weapons.

Question: What is the GOT going to do with the older weapons that are being replaced?

Response: The Bureau representatives stated the weapons would remain in use or stored in the Bureau's warehouse as reserve weapons. The Bureau lacked weapons for its operations. The M16s would not be destroyed at this point.

Question: Confirm the receipt of the firearms on 050089662 and 050059704.

Response: The Bureau representatives stated the Bureau had not received any of the new weapons.

18. (U) Additional information:

- Chattri stated that the weapons for license 050059704 (550 pieces) had arrived in Thailand but were pending import clearance. The weapons in licenses 050089662 (550 pieces) and 050095708 (650 pieces) were still being manufactured in the US.

- The Bureau, although verbally confirming the purchase of weapons in three lots, had only presented Post one written purchase contract for 500 and not 550 Colt M4s. The officers did not know the license number for this transaction. As of May 30, the Bureau representatives said the purchase contracts for the other two lots are still being processed within the Ministry of Interior.

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